

EXHIBIT O

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION

- - -
EQUAL EMPLOYMENT : CIVIL NO.
OPPORTUNITY COMMISSION:
and :
KATHY C. KOCH :
INTERVENOR/PLAINTIFF:
v :
L.A. WEIGHT LOSS :
CENTERS, INC. :
Defendant : WDQ-02-CV-648

- - -
NOVEMBER 11, 2004

- - -
Oral deposition of KAREN SIEGEL,
taken pursuant to notice, was held at the
law offices of the EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION, The Bourse
Building, 4th Floor, Philadelphia, PA,
beginning at 9:35 a.m., on the above
date, before Nancy D. Ronayne, a Court
Reporter and Notary Public in the
Commonwealth of Pennsylvania.

- - -
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KAREN SIEGEL

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1 BY MR. PHILLIPS:

2 Q. I'll give you permission to
3 guess on this one.

4 A. It's like 2001, 2002,
5 somewhere in there. So it might be like
6 2000 I took over payroll. I mean I had
7 payroll probably a good year before Jim
8 Horan left.

9 Q. When he left it was not
10 within the last year?

11 A. No, no. No, no.

12 Q. All right. When you say you
13 took over responsibilities for payroll,
14 what did you mean by that, what
15 responsibilities?

16 A. Managing the department.

17 Q. Which consisted of which
18 duties?

19 A. Hiring, sort of the
20 streamlining of the information from the
21 field in order to process payroll, to
22 facilitate any changes we may have had in
23 the pay structure. Making sure that
24 everything was being done according to

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1 sort of the policy set forth in terms of
2 commissions and bonuses and that sort of
3 thing. So that was sort of --

4 Q. That was not part of your
5 duties prior to that time?

6 A. No.

7 Q. So other than assuming--
8 well first of all, how long did you
9 perform those payroll duties?

10 A. I'm still in charge of
11 payroll.

12 Q. Continuously since the
13 transition, sometime in 2001?

14 A. Right. If that's the
15 correct time frame, yes.

16 Q. Apart from that no changes
17 in your duties since April '98?

18 A. No.

19 Q. I just want to clarify what
20 your duties are. Can you tell me what
21 you do or what you have done consistently
22 since April '98 in the HR department at
23 L.A. Weight Loss?

24 A. Sure. Since I've started we

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1 didn't really have an HR department per
2 se. We had an individual who was at that
3 point processing payroll and handling new
4 hire paperwork and sort of the minor
5 aspects when it comes to employees and
6 personnel. When I took over the position
7 and took on the responsibility we
8 literally started, I personally started
9 from scratch in formalizing and putting
10 together the policies and procedures that
11 currently are in place with the company.

12 We engaged Wolf Block to
13 assist in that process putting together a
14 handbook, putting together hiring and
15 recruitment of personnel, guidelines and
16 handbook. And communicating those
17 policies, procedures out into the field.

18 In addition, you know I
19 started to handle employee relation type
20 issues, questions from the field,
21 regarding any aspect of their job or
22 responsibilities, complaints. I started
23 conducting trainings on the handbook and
24 the policies and procedures that we have,

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1 trainings on recruitment. I was involved
2 with benefits at that point and you know,
3 overseeing and reviewing the benefits
4 package that we had in place, trying to
5 enhance them, costs. Sort of at that
6 point partnering with the CFO to market
7 if you will or put out to market the
8 health insurance policy and different
9 benefits that we had in place at that
10 point. Overseeing in addition changes
11 from a personnel standpoint, making sure
12 that we had change forms that would come
13 in if there was a promotion, a demotion,
14 a termination, sort of starting that
15 process of, you know, making sure that
16 everything-- we were growing
17 substantially at that point in time as we
18 continue to do and just formalizing what
19 had previously been a somewhat informal
20 or no one in charge type of situation.

21 Obviously the department
22 grew as the company grew and as my
23 responsibility broadened and I hired a
24 benefits person to assist in the

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1 administration of benefits, plus we were
2 adding additional benefits so there was
3 that much more that we were responsible
4 for.

5 I added an HR manager to
6 assist in a process at one point. I had
7 actually overtaken the recruitment
8 process in the sense that it was being
9 done wholly by the field at that point
10 and we sort of overtook the process of
11 putting some controls over the ad
12 placement piece and then ultimately
13 centralizing recruitment in-house. And
14 in that whole process I brought in the HR
15 manager to assist again, employee
16 relations, formulating and taking over
17 the responsibility of recruitment
18 in-house.

19 I added another HR
20 generalist at one point. Again, to just
21 assist in the whole process. We were
22 doing-- I was also overtaken the
23 responsibility of sort of risk manager
24 and I was responsible for all of the

1 orchestration of our annual conferences.

2 What else. I mean that
3 continues through today. I mean, then
4 taking on the responsibility of payroll
5 and sort of streamlining that process a
6 little bit more in terms of the
7 communicating more frequently with the
8 field on making sure time sheets,
9 everything we do is manual basically and
10 at one point we reviewed sort of the
11 payroll system that we were using and we
12 transitioned from Zorick to ADP. I was
13 involved in that process. And at that
14 time we had looked at a number of vendors
15 and we had decided to go with ADP for a
16 number of reasons and I guess at that--
17 actually, that would have been around the
18 time when I had taken further over the
19 responsibility of the payroll.

20 But sort of making sure that
21 things were getting accomplished that
22 needed to in regards to payroll because
23 again, we were growing and adding
24 employees and adding employees in that

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1 property and casualty policies that
2 covered the company. The policies that--
3 the general liability policies, the
4 professional liability policies that
5 cover our stores, workers' comp, all of
6 that. And I hired somebody to assist me
7 in this administration of that process
8 and again, that's the whole marketing
9 effort and renewals, et cetera, et cetera
10 and premium payments and-- and what else.

11 I finally added like an HR
12 administrator or assistant that sort of
13 was more of an administrative position.
14 And got involved with trainings, again,
15 that was really from the beginning but
16 more involved as the company grew and we
17 were adding more people from a
18 supervisory capacity getting involved in
19 the training from an HR standpoint that,
20 I mean I did a lot of traveling,
21 trainings in the corporate office. We
22 started annual conferences at one point
23 and I was involved in helping with the
24 planning and the preparation and the

1 department as well in order to process
2 payroll. And that sort of takes us
3 through up to today. I think I pretty
4 much covered everything.

5 Q. If you can think of anything
6 else let me know.

7 A. Okay.

8 Q. Thank you. Part of your job
9 also includes again, in the HR
10 department, includes EEO compliance,
11 equal employment opportunity compliance?

12 A. Yes, yes.

13 Q. So as a part of your job
14 you're required to know what the
15 company's policies are regarding equal
16 employment opportunity?

17 A. Absolutely. In fact, that
18 was one of the first things we did back
19 in '98 was to formalize that policy
20 within our handbook and within the hiring
21 manual, recruitment manual and
22 communicate that. That was literally one
23 of the very first things that I
24 personally did and one of the first

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1 well. We might have gotten ones here and
2 there but we were sort of peripherally
3 involved in that process.

4 Q. When in 2002 did the areas
5 and regionals go through ESG?

6 A. I'm not exactly sure. I'm
7 not exactly sure. Early 2002.

8 Q. Now, I want to make sure my
9 understanding of this and we'll talk
10 about this more in depth later but I want
11 to make sure my understanding of this ESG
12 arrangement is correct. ESG does not go
13 out and head hunt for L.A. Weight Loss,
14 do they?

15 MR. LANDAU: Object to the
16 form.

17 MR. PHILLIPS: I'll rephrase
18 the question.

19 BY MR. PHILLIPS:

20 Q. Does ESG advertise for L.A.
21 Weight Loss for jobs at L.A. Weight Loss?
22 Do they place the ads, do they do the
23 Internet recruiting?

24 MR. LANDAU: Object to the

1 agency to place ads. From a cost
2 standpoint we took that over because we
3 can place our own ads without paying any
4 of the additional agency fees. And we
5 were getting charged a fee for placing
6 the ad when we were-- when Sandy Fox was
7 placing it through his ad agency, so from
8 a cost control, not that it makes a
9 difference in terms of I'm not sure that
10 necessarily makes a difference but there
11 was a point where he was placing his own
12 ads.

13 Q. Who determined the content
14 of those ads?

15 A. He did, I mean he created
16 the ads.

17 Q. How long did this
18 arrangement exist where ESG or Sandy Fox
19 were placing their own ads through
20 separate agents?

21 A. A couple of months, not a
22 long time.

23 Q. So a couple months in 2002?

24 A. A couple months in more

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1 compound nature of that question.

2 MR. PHILLIPS: You can
3 answer.

4 THE WITNESS: They-- we
5 place the ad for them.

6 BY MR. PHILLIPS:

7 Q. They do the screening?

8 A. They do the screening. And
9 they utilize our Internet capability and
10 again, they do the screening. Like the
11 cost of the Internet, obviously it's very
12 expensive as we had hundreds of job
13 postings, so if there was a position that
14 they were recruiting for we would post
15 that position for them but the leads and
16 the resumes would come in to them.

17 Q. Understand, okay.

18 A. And that's the same for the
19 newspaper advertisement as well.

20 Q. L.A. Weight Loss places the
21 ad, ESG initially receives the lead?

22 A. That's correct. And that
23 happened-- in the beginning they placed
24 their own ads, they were utilizing an

1 2003. Like he-- when he was doing the
2 areas and the regionals he was doing the
3 ads. When he overtook the entire process
4 of assistant managers it was at that
5 point where we're seeing a larger amount
6 of ads being placed and we overtook the
7 process of placing those ads for him,
8 still his content, just us placing the
9 ad.

10 Q. So who determined the
11 content of those ads.

12 A. Sandy Fox.

13 Q. Did L.A. Weight Loss have
14 any-- conduct any review before those ads
15 were placed?

16 A. Not to my knowledge. It's
17 like using an outside search firm you
18 know, agency, which is exactly what he is
19 saying, here we have a position to fill
20 and --

21 Q. Was he also the owner of the
22 ad agency?

23 A. Yes.

24 Q. What's the name of the ad

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1 agency?

2 A. And actually-- oh, the ad
3 agency, I'm sorry. No, I'm sorry, search
4 firm, no, not in charge of the ad agency.

5 Q. Who was the ad agency that
6 use to use him?

7 A. I don't remember but I can
8 get you that information. It wasn't a
9 logical ad agency.

10 Q. It wasn't Alston?

11 A. No, no, we used Alston.

12 Q. So when you referred to a
13 change in 2003, you were referring not so
14 much to use of Internet and newspaper as
15 you were what's happening to the leads
16 after they come in?

17 A. That's correct.

18 Q. So then in 2003 the leads go
19 to ESG for assistant manager and above,
20 correct?

21 A. That's correct.

22 Q. Has that changed since 2003,
23 both who places the ads, where they are
24 placed and the use of ESG?

1 for example med tech or counselor, were
2 not going to ESG they were going directly
3 to L.A. Weight Loss personnel, correct?

4 A. That's correct.

5 Q. Who were they going to?

6 A. They would come in and the
7 recruitment assistant slash
8 administration administrator, and/or
9 myself or Nicky Fryer, and those-- so
10 that's who they came in to.

11 Q. Now again I want to stay
12 just on the posting function for now and
13 we'll come back to some of these other
14 things. Have your Internet sources
15 changed since 2002?

16 A. Yes.

17 Q. You mentioned Hot Jobs and
18 Career Builder?

19 A. Correct. And we added
20 Monster.

21 Q. When did you add Monster?

22 A. Sometime in 2003.

23 Q. Referring to Monster.com?

24 A. Yes.

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1 A. Yes.

2 Q. What has changed?

3 A. Just recently in the last
4 two months, we have actually brought the
5 recruitment back in-house. So ESG is
6 doing-- we're doing all the recruitment.
7 They're not -- they may do a position
8 here and they're separate from the field,
9 like they might recruit for a corporate
10 position but not for anything field
11 related at this point.

12 Q. So just within the last few
13 months then ESG has stopped doing any
14 recruiting for field positions at L.A.
15 Weight Loss, correct?

16 A. That's correct.

17 Q. And there's an HR is a
18 recruiting I guess group or recruiters in
19 the HR department at L.A. Weight Loss who
20 have now undertaken that responsibility,
21 correct?

22 A. That's correct.

23 Q. And back in 2003 the leads
24 for positions below assistant manager,

1 Q. Any reason for that change?

2 A. Just to add to the exposure
3 that we had.

4 Q. Now prior the your 30(b)(6)
5 testimony in the fall of 2002, let's take
6 that period from the start of 2002 to
7 when you gave your 30(b)(6) in the fall
8 of 2002. Was the process the same then
9 as you previously described it, Internet
10 and newspaper postings?

11 A. That's correct.

12 Q. Was ESG being used during
13 that period?

14 A. They may have been involved
15 at the-- in the higher level, the
16 assistant and regional at that point in
17 time.

18 Q. Now let's look at 2001.
19 What's the difference between, if
20 anything, between what the company was
21 doing as far as posting jobs in 2002 as
22 compared to 2001?

23 A. 2001 we were still utilizing
24 Internet, but we were probably, it was

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1 probably more newspaper advertisement at
2 that point in time, not necessarily a
3 substantial amount more than 2002 but we
4 definitely because we were just sort of
5 getting involved with Internet we were
6 still relying somewhat on newspaper.

7 Q. Who was posting the
8 newspaper ads at that time, 2001?

9 A. I believe we were— we were
10 actually posting them. It was either, we
11 utilized Alston Advertising and after
12 utilizing Alston Advertising we did it
13 internally where we dealt directly with
14 the newspapers, whenever that transition
15 occurred, those were the only two, it was
16 either us or them as far as doing the
17 postings.

18 Q. What about 2000?

19 A. I believe in 2000 we were
20 utilizing Alston but I don't remember
21 exactly when we transitioned from them.

22 Q. But newspaper ads?

23 A. I'm sorry, newspaper and it
24 might have been the very end of 2000 that

1 recruiting because we know there's going
2 to be growth in the area so we might over
3 hire for a center in anticipation of
4 opening another center. So there's not
5 necessarily an opening that exists but
6 generally speaking we're going to
7 advertise for a position that's available
8 at that given time.

9 Q. When you say over hiring
10 what do you mean by that?

11 A. Well, you might have more
12 counselors in the center than you need in
13 anticipation of opening another center.

14 Q. Okay. So in that situation
15 you're actually, you're filling vacancies
16 but you're advertising to fill many more
17 vacancies than what are actually open at
18 that time in anticipation of future
19 openings; correct?

20 A. That's correct.

21 Q. Back in '99 is it fair to
22 say that all of L.A. Weight Loss's
23 postings of jobs or if you can find a
24 better term for that let me know, but all

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1 we started to utilize Hot Jobs.

2 Q. You weren't using Career
3 Builder at that time?

4 A. No, it was a couple months
5 later that we started to use Career
6 Builder.

7 Q. Is it fair to say that when
8 the company does a job posting either by
9 Internet or by newspaper that there is a
10 specific vacancy that the company wishes
11 or vacancies that the company wishes to
12 fill? I'm juxtaposing that with
13 companies who solicit applications to
14 have a pool to draw from but that there
15 may not necessarily be a vacancy open at
16 that time. Do vacancies actually exist
17 when the company posts an ad either on
18 the Internet or in the newspaper?

19 A. Yes and no. Generally
20 speaking if there's a vacancy we're
21 definitely going to post for that
22 position. We may— there are some areas
23 where we may recruit for a pool of
24 applicants like we might do constant

1 of L.A. Weight Loss's posting of jobs was
2 done by newspaper ads?

3 A. In '99, yes.

4 Q. And is that also true for
5 1998?

6 A. Yes.

7 Q. Do you know if that's true
8 for '97?

9 A. I believe that to be true
10 for '97.

11 Q. Earlier you mentioned in the
12 context of 2003 that leads for counselor
13 and med tech job, anything below
14 assistant manager that wasn't being
15 handled by ESG were flowing directly to
16 your department, the recruiting
17 assistant — recruitment assistant, Nicky
18 Fryer or yourself, correct?

19 A. That's correct.

20 Q. And was that also true for
21 2004?

22 A. Today?

23 Q. Yes.

24 A. It comes through the HR

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1 department, yes.
 2 Q. But now the difference is
 3 that everything comes through the HR
 4 department currently?
 5 A. That's correct.
 6 Q. Lead comes to the HR
 7 department, comes to you, Nicky Fryer,
 8 recruiting assistant, what is done with
 9 the lead?
 10 A. Give me a time frame; 2003?
 11 Q. Yes. Let's deal with that
 12 first.
 13 A. Okay. 2003 it would come
 14 in, we would separate it by area or
 15 regional, if there wasn't an area in
 16 place. And those resumes were sent out
 17 to the field two times a week.
 18 Q. Is there any initial
 19 screening out that's done at this stage
 20 in the process? Essentially what I'm
 21 asking is, do you send all of the
 22 resumes, we'll call them resumes but I'm
 23 referring to basically anything
 24 indicating an interest in employment, a

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1 resume, an Internet application I guess
 2 you could call it, a response to an
 3 Internet posting by e-mail or whatever,
 4 faxed note on a cocktail napkin,
 5 anything, is there any screening out at
 6 this point or is it all sent out to the
 7 field?
 8 A. It's all sent out to the
 9 field.
 10 Q. It doesn't matter what it is
 11 if it's an indication of interest in
 12 employment it is sent out to the region
 13 or area that it applies to?
 14 A. That's correct. As long as
 15 there's contact information for the
 16 person, speaking to your cocktail napkin,
 17 but yes.
 18 Q. Unless it's I want a job
 19 signed Joe it goes out to the field?
 20 A. Yes. And if it says Joe and
 21 215.
 22 Q. Understood. Understood,
 23 okay.
 24 A. That's correct.

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1 Q. Has that ever been
 2 different? Other than the use of
 3 Executive Search Group has that process
 4 ever been different, HR receives the
 5 leads, HR disseminates them to the area
 6 region?
 7 A. Yes.
 8 Q. When was it different?
 9 A. Okay. Prior to 2003— prior
 10 to 2003 and in different phases there
 11 were different, we had recruitment
 12 inhouse that we were doing and we also
 13 had field recruiters at one point.
 14 Q. This is prior to 2003?
 15 A. That's correct.
 16 Q. Did you have, were the
 17 recruiters inhouse working during the
 18 same time frame as the field recruiters?
 19 A. No.
 20 Q. They were not?
 21 A. No.
 22 Q. Who was the most recent
 23 inhouse during that time frame, prior to
 24 2003, who was the most recent inhouse or

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1 field recruiters?
 2 A. Inhouse.
 3 Q. At that time were the leads
 4 going to the inhouse recruiters?
 5 A. At the time that there were
 6 inhouse recruiters?
 7 Q. Yes.
 8 A. Yes.
 9 Q. And what were they doing
 10 with the leads when they got them?
 11 A. They were sorting them and
 12 prescreening them.
 13 Q. So prior to 2003 at this
 14 stage of the process the receipt of the
 15 lead there was screening that was taking
 16 place by the inhouse recruiters?
 17 A. That's correct.
 18 Q. How long did the company
 19 have inhouse recruiters prior to 2003?
 20 A. We had inhouse recruiters
 21 probably for close to a year and a half.
 22 Q. Can you give me a general
 23 time frame?
 24 A. Let me think about this.

22 (Pages 82 to 85)

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1 Late 2001 I want to say to 2003 to ESG
2 taking over, it might have been late 2001
3 early 2002, so it was probably a year
4 maybe a little longer?

5 Q. How many inhouse recruiters
6 were there at that time?

7 A. There were three.

8 Q. Who were they?

9 A. Kim Stanziani,
10 S-T-A-N-Z-I-A-N-I. Zoya-- I'm not even
11 going to attempt, I don't even know how
12 to pronounce her last name, it's like
13 Urkavitch or something and Nancy
14 O'Malley.

15 Q. Who was their direct
16 supervisor?

17 A. Nicole Fryer.

18 Q. And Ms. Fryer reports to
19 you?

20 A. That's correct.

21 Q. Do you know how they were
22 prescreening, what they were prescreening
23 for?

24 A. Yes.

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1 Q. What was it?

2 A. Again, it gets back to the
3 aspect of what we do as a company. So
4 the person who in their previous job
5 history, someone in a related field, when
6 I say a related field, someone who has
7 had a lot of customer interaction, shown
8 an ability to or had the experience in a
9 consultative sale. It's that whole
10 trying to find that person who has the
11 ability to connect with our clients on an
12 emotional level, shows empathy.

13 Q. And let me stop you there.

14 A. Okay.

15 Q. Because I don't want to
16 duplicate. I am going to discuss with
17 you as I'm sure you anticipate, the
18 prescreening policies and process
19 generally later.

20 Is it accurate to say that
21 Kim, Zoya and Nancy were using the
22 company prescreening process described in
23 the company hiring guides; is that what
24 they were doing?

1 A. Yes. In addition to you
2 know just discussions as a department as
3 far as what are we looking for.

4 Q. So what was the nature of
5 those discussions?

6 A. What are their related
7 fields that we would draw from. You
8 know, looking at a resume there's some
9 what I would call general recruitment,
10 the red flag issues, you're job hopping,
11 gaps in your resume, those type of
12 things, they're obvious in any business.
13 But looking at experience, talking about
14 the experience that we were looking for
15 in terms of the previous jobs.

16 Q. Were these discussions about
17 related fields to draw from a previous
18 experience, were these discussions
19 recorded in any way in writing, in a
20 memo, anything of that nature, e-mail?

21 A. Well, we discussed in the
22 recruitment handbook or guidebook the
23 different specific things, retail
24 cosmetics. So that I mean, in terms of

1 that there is documentation relative to
2 that. But sort of let's talk about okay,
3 well we have, we're looking for retail
4 but what specific to retail, are we
5 looking for cosmetics, what's specific.
6 You and I might have a conversation about
7 cosmetics, Avon salespeople, Mary Kay,
8 cosmetic counter, sort of expanding on
9 what is in fact in writing in different
10 manuals, you'll see it, it's in the
11 training and that sort of thing.

12 Q. What was done with, this is
13 again late 2001 to 2003 when inhouse
14 recruiters were doing prescreening, what
15 was done with the resumes or applications
16 or whatever you want to call them that
17 were screened out?

18 A. When you say screened out
19 you mean not they wouldn't --

20 Q. Not referred to the field?

21 A. They would be kept in a
22 folder specific to that region. We
23 stored things by area.

24 Q. Sitting here today is there

23 (Pages 86 to 89)

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1 A. No, she actually came in the
2 second phase of, okay, you have field
3 recruiter does seem to be assisting the
4 area managers and the regionals in the
5 recruitment process so then we added more
6 field recruiters. So she was sort of in
7 the second phase of that.

8 Q. Who was the one?

9 A. Leslie Hubadin.

10 Q. What areas or markets did
11 she service?

12 A. I don't remember. She was
13 either New York, New Jersey or Baltimore.
14 I don't specifically remember sitting
15 here today.

16 Q. Would that be reflected in
17 her personnel file?

18 A. Absolutely.

19 Q. Okay. In '99 there was one
20 field recruiter, then what?

21 A. Starting like mid 2000 we
22 started to hire, in the different regions
23 we hired other field recruiters, Florida,
24 Boston, Saint Louis, Baltimore, New

1 the qualifications are for the jobs that
2 they're recruiting for, correct?

3 A. That's correct.

4 Q. And they have to be familiar
5 with the company's selection criteria,
6 correct?

7 A. That's correct.

8 Q. Now, jumping back, sorry to
9 do this to you but 2001, late 2001 to
10 2003, inhouse recruiters, when they set
11 up an interview, who did the
12 interviewing?

13 A. The field-- the inhouse
14 recruiters never did any face-to-face
15 interviews.

16 Q. So with respect to inhouse
17 recruiters definitely somebody in the
18 field did the interview?

19 A. That's correct.

20 Q. Area manager?

21 A. Possibly.

22 Q. Regional manager?

23 A. Possibly.

24 Q. Anybody else?

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1 Jersey, I think that was it.

2 Q. A lead comes in from a
3 newspaper ad or maybe the Internet
4 depending on when in 2000, does it go
5 directly to a field recruiter?

6 A. At that point in time, yes.

7 Q. What does the field
8 recruiter do with that lead?

9 A. They were prescreening and
10 setting up interviews.

11 Q. Who's conducting the
12 interviews?

13 A. The area managers, regional
14 manager, depending on availability
15 situation. And sometimes the field
16 recruiter depending on the position and
17 again, depending on availability for the
18 hiring person supervisor at that point in
19 time.

20 Q. Now, you mentioned for both
21 field and inhouse recruiters that they
22 perform a prescreening function. So
23 that, of course, that means that they as
24 part of their job they have to know what

1 A. Divisional VP.

2 Q. With respect to the period
3 where you had field recruiters it was not
4 a divisional or a VP?

5 A. That time frame I don't
6 believe we had that position, we might
7 have had divisionals at that point, we
8 didn't have VPs for sure. Or at least
9 VPs that did recruitment. But the areas
10 of the regionals were the ones doing the
11 interviewing.

12 Q. Did they do the interviewing
13 for all the positions in the field?

14 A. The areas and the regional?

15 Q. Yes.

16 A. An area typically wouldn't
17 interview another area.

18 Q. Well, okay.

19 A. So like the center level,
20 yes.

21 Q. And then the regional would
22 do the center level interviews plus an
23 area?

24 A. That's correct.

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1 If it went to a center normally it would
2 go to like a training center versus an
3 actual center center, just to insure that
4 we weren't losing any leads. We were
5 spending a lot of money on it and
6 obviously it was something that was
7 important. So there was a time frame
8 when it would come into the HR department
9 we would submit it out to the field and
10 there was a time frame when it would go
11 directly to the field.

12 Q. So it was going directly to
13 the field at some earlier point and later
14 it was consolidated or centralized in the
15 HR department?

16 A. That's correct.

17 Q. Let's talk about that first
18 time frame when it was going to the field
19 directly not being routed through HR,
20 what's the time frame when that was
21 happening?

22 A. Definitely obviously prior
23 to me being in HR so '97, '98. And then
24 I would say probably through late '98,

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1 November/December, early '99 and it might
2 vary-- it might vary per the region.

3 Q. How so?

4 A. Well, some might have been
5 coming in to corporate in that '98, '99
6 time frame like when we actually were
7 transitioning it over to the
8 centralization process. Again, some
9 might have been coming in to us but still
10 going out to the field and then beyond
11 that time frame everything was coming in
12 to us.

13 Q. During this period when the
14 leads were going directly to field
15 personnel, who in the field would receive
16 the leads?

17 A. Whoever the hiring
18 supervision was. So if there was an area
19 manager that was going to be responsible
20 for it, it would be the area manager.
21 Typically it was the regional manager
22 that would be getting the resumes and
23 dividing them out by location to their
24 area managers.

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1 Q. Is there any prescreening
2 going on during this period?

3 A. Before HR was involved?

4 Q. Yes.

5 A. They would prescreen on
6 their, you know --

7 Q. At their own discretion?

8 A. Right. So a lot of them
9 just set up interviews. Some of them
10 prescreened. But in terms of if a
11 regional had a stack of resumes and you
12 know, ten were for this area manager, ten
13 were for this area manager and ten for
14 this area manager, they just went out,
15 they didn't do any like prescreening of
16 what they were sending out to their area
17 managers. Prescreening would happen with
18 an individual that potentially was going
19 to be set up for an interview or an
20 interview was just set up.

21 Q. So it would happen like at
22 the area --

23 A. Level.

24 Q. --level?

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1 A. Right. Unless of course the
2 regional was the one doing the hiring.
3 And the regional might do the hiring if
4 they didn't have an area manager.

5 Q. Other than going through
6 every single resume and trying to figure
7 out who's doing what, is there any way
8 for you to determine at this point who
9 was doing the prescreening during this
10 time frame, whether for various markets,
11 whether it's a regional or an area?

12 A. No.

13 Q. There's no chart or there's
14 nothing that says Jane Doe was doing
15 regional was doing prescreening for this
16 market but area manager, you know, Jane
17 Smith was doing prescreening for this
18 other area in this other market?

19 A. No.

20 Q. Was there any training on
21 prescreening during this period?

22 A. Give me a time frame.

23 Q. Before HR started receiving
24 directly the leads? When there was sort

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1 A. That's correct.

2 Q. What was HR's function with
3 respect to the leads, did you prescreen
4 them or did you just sort of farm them
5 out without making any distinction
6 between the resumes?

7 A. We just when we were just--
8 when we were the conduit for the
9 dissemination of resumes it was what
10 market is this applicable for, and it
11 would go out to the-- we did no
12 prescreening.

13 Q. Pure sorting function?

14 A. Yes.

15 Q. By geography?

16 A. That's correct.

17 Q. Then they went to, the
18 resumes went to the regional manager?

19 A. More like -- yes, the
20 regional and then the regional would send
21 them out to the area unless they were
22 doing interviews themselves.

23 Q. Directly or did they flow
24 through the general manager?

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1 A. No, directly.

2 Q. Did the resumes ever flow--
3 when L.A. Weight Loss had general
4 managers, did the resumes ever flow
5 through those general managers at any
6 point?

7 A. No.

8 Q. Were they copied, the
9 resumes, were they given a c.c. like?

10 A. Oh, no.

11 Q. Again, during this period,
12 when it was corporate-- when the HR
13 department did the sorting function but
14 no prescreening and then as you say was a
15 conduit for the resumes going out to the
16 field, the prescreening then would have
17 been done by the field, correct?

18 A. That's correct.

19 Q. Who in the field would have
20 performed the prescreening?

21 A. Whoever was actually going
22 to be conducting the interview.

23 Q. Might be the regional
24 manager?

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1 A. It could be the regional
2 manager.

3 Q. It might be the area
4 manager?

5 A. That's correct.

6 Q. How about center managers?

7 A. No. Not typically, no. In
8 fact I don't know of any instance when
9 that happened.

10 Q. Has center managers ever
11 been participants in the hiring process
12 to your knowledge at L.A. Weight Loss?

13 A. No.

14 Q. Doing it like in an advisory
15 function like hey, I'm area manager and
16 I'm getting ready to hire this person but
17 why don't you go talk to him for a few
18 minutes, center manager and see if that's
19 someone you want working for you?

20 A. There's been discussions
21 going forward like today, saying that the
22 manager should be a little more involved
23 in that process because like you said, it
24 is somebody that's going to be working

1 closely with that person. In the past if
2 that's happened it hasn't been in like
3 you say an advisory capacity or any kind
4 of influence in the hiring decision
5 necessarily but more of a meet and greet.
6 But again, I mean I don't know of any
7 specifics that that's happened but that's
8 what we've talked about.

9 Q. Have there been any written
10 communications on that subject?

11 A. No.

12 Q. Currently, you've gone with
13 an inhouse recruiting function again now,
14 why the change?

15 A. Cost, number one. The
16 dissatisfaction on the field level I
17 guess in terms of positions being filled,
18 you know, adequate, interviews being set
19 up, sort of the process kind of broke
20 down. And we actually had done a good
21 job previously when we did it inhouse.
22 Vahan decided that he wanted to bring it
23 inhouse again, he thought it would be
24 more efficient, more cost effective and

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1 company to perform certain recruiting
2 functions that we talked about before to
3 a L.A. Weight Loss inhouse recruiter
4 group or inhouse recruiters. I wanted to
5 make sure I understood. To your
6 knowledge who made the decision to switch
7 from ESG to back to an inhouse recruiting
8 function?

9 A. Vahan Karian.

10 Q. How was that decision
11 communicated to you?

12 A. In a meeting he called me in
13 and he told me that that's what he wanted
14 to do.

15 Q. Was anyone else present at
16 that meeting?

17 A. Not that I remember, no.

18 Q. Did you take any notes?

19 A. No. Actually, I took notes
20 to the extent of time frame, you sort of
21 up— it wasn't like note taking it was
22 sort of what I was telling him insofar as
23 what it would take for me to overtook the
24 process and sort of what my plan was in

1 more questions on that but when the time
2 comes to actually make a decision to fill
3 the job for center level job currently,
4 who makes that decision?

5 A. Generally it would be the
6 area manager possibly with input from the
7 regional manager. Or said differently,
8 the person with— the supervisor who is
9 doing the interviewing and in the event
10 that there is someone over that person
11 there may in fact be some input from that
12 next level of supervision.

13 Q. So the persons you just
14 mentioned make the decision to hire for
15 center level position, they select the
16 candidate, correct?

17 A. That's correct.

18 Q. For center level positions,
19 has that ever been different at L.A.
20 Weight Loss, has the decision ever been
21 made by anyone other than the person
22 doing the interviewing, whether it's the
23 area or regional or the area with input
24 from the regional?

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1 terms of rolling markets back over to us.
2 It was sort of my guideline of what I was
3 telling him that I would need to do in
4 order to get the inhouse recruitment up
5 and running. And then that means, it was
6 really more on my end for my own— for my
7 own benefit.

8 Q. Did any documents or
9 memoranda go out to anybody regarding
10 this decision?

11 A. No.

12 Q. So we have been talking
13 about the hiring process and we were
14 talking about the initial generating
15 leads for vacancies and we've talked
16 about prescreening and we talked about
17 the referral of the leads out to the
18 field. And we have done some discussion
19 about interviews.

20 When the time comes to make
21 a decision to fill one of these jobs and
22 I understand it may be different
23 depending on the type of position, you
24 can volunteer that or I can ask you some

1 A. No. Just included in that
2 layer of management could in fact be the
3 divisional manager if one exists in that
4 particular area or region and if they're
5 involved in any way.

6 Q. But it's been consistent
7 throughout the company since you've been
8 in HR?

9 A. Yes.

10 Q. The trainer, has the trainer
11 ever made final decisions to hire at the
12 center level?

13 A. Not while— not while I have
14 been involved in the process.

15 Q. Not since you started in HR
16 in '98?

17 A. That's correct.

18 Q. Do you have any specific
19 knowledge of that happening prior to you
20 starting at HR?

21 A. I don't.

22 Q. Had anyone ever mentioned to
23 you that that had occurred?

24 A. Other than in the testimony

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1 Q. In connection with this
2 litigation?
3 A. Yes.
4 Q. The C-drives of everyone who
5 would have been in charge of generating
6 offer letters?
7 A. Yes.
8 Q. All the computers that they
9 used?
10 A. It's-- well, they only-- the
11 only person that we're talking about here
12 is Nicky Fryer and her present -- like if
13 she's changed computers in terms of like
14 if she's changed her box-- first of all,
15 she's, everything she does she saves on a
16 network, that's number one. And prior to
17 that time when we had-- well we weren't
18 actually in a networked capacity I don't
19 know that she actually -- I just don't
20 know how far back the whole networking
21 piece goes. So I might be completely--
22 we might have all of them. I just don't
23 want to say for certainty if I don't know
24 for sure.

1 is then transmitted to payroll?
2 A. It's transmitted directly to
3 payroll.
4 Q. Directly to payroll. And
5 then payroll records it in the sense that
6 they generate an entry for an employee in
7 the payroll system, correct?
8 A. That's correct.
9 Q. And human resources
10 department starts a personnel file?
11 A. Payroll starts a personnel
12 file.
13 Q. Payroll starts the personnel
14 file. So if you have someone who is
15 offered a job and accepted the job but
16 didn't show up for the training or didn't
17 show up for the orientation, there'd been
18 an offer letter, anything else?
19 A. No.
20 Q. Do you know of any specific
21 instances of that occurring?
22 A. No. I would say more than
23 likely they might show up for training
24 and maybe not finish training, like quit

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1 Q. When there's a new hire, how
2 is that new hire recorded, on what, is
3 there a form, is there-- how is that, how
4 is that communicated to you, let's start
5 with that?
6 A. Okay. Okay. If when
7 someone shows up to training, day one of
8 training or orientation, they fill out a
9 new hire personnel form with information,
10 address, social security number, date of
11 birth, anything relative to them, their
12 personnel information. That gets
13 completed along with any of the other
14 required forms, W-4, I-9, EEO-1 reporting
15 form. And all of that information gets
16 submitted to payroll. So it gets sent up
17 to payroll and payroll enters that
18 information into the payroll system in
19 order to be able to pay the individual.
20 Q. So the new hire information,
21 the initial set up would be recorded on a
22 new hire form, spilled out in orientation
23 or training or both, and then transmitted
24 to the human resources department which

1 after they show up day one, but I don't
2 know of anybody personally that has
3 accepted an offer and then didn't show to
4 training. That doesn't mean it didn't
5 happen, I'm just not personally aware of
6 it.
7 Q. That's theoretically
8 possible?
9 A. Absolutely.
10 Q. Currently who receives
11 training at L.A. Weight Loss on how to
12 conduct hiring, what positions?
13 A. All of the supervisors.
14 Q. Meaning area and regional?
15 A. Area and regional division,
16 VP. I mean we're constantly retraining
17 and reiterating and update training
18 materials. As well as everyone in my
19 department that's involved with
20 recruitment indirectly or directly.
21 Q. Anyone else currently?
22 A. I also do training within
23 corporate with the supervisors, like
24 heads of departments who have any kind of

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1 Internet recruiting tools and I
2 understand it might differ from company,
3 it might not, I don't know. But I mean,
4 you put a posting on Monster, on Hot Jobs
5 or on Career Builder, what happens next?

6 A. An applicant or candidate
7 will apply for the job. And the
8 recruiter, for instance, if we were doing
9 an inhouse we're talking in those terms,
10 a recruiter is assigned a territory, so
11 if it's a job posted within their
12 territory they're going to go in each day
13 into their applicant pool as it's
14 referred to on at least Hot Jobs, I
15 believe they call it the same thing with
16 all three of them but I'm not exactly
17 sure. And you click on it and you have a
18 list of people that applied. And they go
19 through and they look at each person who
20 has applied for the job, see what
21 relevant experience, if any, they have.
22 Determine whether or not they're going to
23 do a prescreen with that person and then
24 the process goes from there. And again,

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1 speaking today that resume gets pulled
2 down into an applicant file and then gets
3 moved either into the prescreened file,
4 the rejected file or the prescreen
5 rejected file.

6 Q. So currently, currently,
7 whether it be Monster, Hot Jobs or Career
8 Builder, every application that comes in
9 electronically in response to a posting
10 on one of those services is reviewed by
11 somebody, a recruiter?

12 A. Yes.

13 Q. And every single one of
14 those posted applications is downloaded
15 somewhere by L.A. Weight Loss?

16 A. That's correct. That is my
17 understanding.

18 Q. That is your understanding
19 based on what?

20 A. Based on conversation and
21 reviewing their files that have just
22 recently been set up with these new--
23 based on conversation that I had with
24 Nicky regarding what are we doing now

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1 with the new setup of the inhouse
2 recruitment. And actually going into
3 these files and looking and seeing the
4 number of resumes that are currently in
5 there.

6 Q. Is there any policy in place
7 that says if you get-- we get a response
8 to an Internet job posting it has to be
9 retained, it has to be downloaded or
10 otherwise printed out or otherwise
11 retained?

12 A. Well, in utilizing the
13 Internet services-- the answer to your
14 question is no.

15 Q. There is no policy?

16 A. There's in terms of
17 downloads-- I'm sorry, say your question
18 again.

19 Q. Sure. Is there any policy
20 in place at L.A. Weight Loss that says if
21 we post something on an Internet job
22 search, Hot Job, Career Builder, Monster,
23 something else, and we get a response, an
24 application, and it's electronic, and

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1 we're going through and we're like said,
2 the recruiters are looking at all of the
3 responses, is there any policy that says
4 that all of those responses have to be
5 retained in some form by L.A. Weight Loss
6 either downloaded and kept in electronic
7 file or printed out in hard copy or
8 something like that?

9 A. Okay. Yes, I mean we have--
10 we have the recruitment policy retention
11 which states we hold on to resumes for
12 three years, now enter this lawsuit and
13 we hold onto the resumes indefinitely
14 until obviously there's some resolution
15 here. So, yes that policy exists.

16 Q. Is that policy is a general
17 record retention policy regarding all
18 recruitment files or is it something very
19 specific to use of the Internet job
20 services?

21 A. No, I mean it's across the
22 board. I mean it doesn't just include
23 the Internet, it includes all resumes,
24 applications, anything that's been

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